

**NORTH SHORE GAS COMPANY  
ILL.C.C. DOCKET 01-0469  
RESPONSE TO STAFF**

Docket No. 01-0469  
ICC Staff Exhibit 5.0  
Exhibit A

**RESPONSIBLE WITNESS: D. EGELHOFF**

**POL-1.21:** Please refer to Section F – Contract with the SVT Supplier, in Rider AGG, Aggregation Service, attached to the Direct Testimony of Debra Egelhoff as Exhibit 1. Provide the Company's method for determining the amount of payment assurance. If gas prices are utilized, provide the gas price indices that are utilized in the determination.

**Response:** The total amount of the assurance of payment will be based on the SVT Supplier's pool MDQ times the applicable credit factor. The credit factor will be derived by estimating a portion of the supplier's total annual liability to the Company. The supplier's estimated liability would be based upon costs related to the Aggregation Charge, Activation Charge, Cash-Out Charge, Over-Delivery and Under-Delivery Charge, and the Aggregation Balancing Gas Charge. Cash-Out Charges would be based upon NYMEX futures prices at the time that the factor is determined and adjusted for the appropriate basis.